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Title: **Associated General Contractors of Washington, Inc. (Heavy-Highway) and Washington & Northern Idaho District Council of Laborers, Laborers International Union of North America (LIUNA), AFL-CIO, (2003)**

K#: **8649**

Employer Name: **Associated General Contractors of Washington, Inc. (Heavy-Highway)**

Location: **WA Central & Western**

Union: **Washington & Northern Idaho District Council of Laborers, Laborers International Union of North America (LIUNA), AFL-CIO**

Local:

SIC: **1611**

NAICS: **23731**

Sector: **P**

Number of Workers: **6000**

Effective Date: **06/01/03**

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K 8649
6,000 workers

6/1/03 - 5/31/07

2003-2007 AGREEMENT

40 PM

Between

ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON

and

**WASHINGTON AND NORTHERN IDAHO
DISTRICT COUNCIL OF LABORERS**

PREAMBLE

This Agreement is a successive principal Agreement of the 1997-2002 Agreement, further extended to May 31, 2003, and all other prior Agreements thereto by and between the Associated General Contractors of Washington, a Chapter of the Associated General Contractors of America, Inc., and the Washington and Northern Idaho District Council of Laborers.

For purposes of this Agreement, the AGC of Washington is not acting as a multi-employer bargaining agent in a single multi-employer unit, but is acting for and on behalf of Employers who have individually requested the AGC of Washington to act as their individual and separate bargaining agent in individual Employer units. Further, each individual principal member reserves the right to review and accept or reject any proposed Agreement negotiated between the Union and the AGC of Washington acting as an agent for the individual contractor members.

This is a collective bargaining Agreement between certain individual members of the Associated General Contractors of Washington, a Chapter of the Associated General Contractors of America, Inc. (hereinafter referred to as the "Employer"), and Washington and Northern Idaho District Council of Laborers (hereinafter referred to as the "Union"), and shall constitute an Agreement between the parties hereto for the work, conditions and wage rates provided for herein in the territory of Western and Central Washington.

ARTICLE 1

PURPOSE OF AGREEMENT

SECTION 1. The purpose of this Agreement is to promote the settlement of labor disagreement by conference, to prevent strikes and lockouts and to stabilize wages and working conditions in building, heavy highway construction and engineering work in the area affected.

SECTION 2. Bylaws of either party are not part of this Agreement. It is agreed and understood between the parties hereto that this Agreement contains all the covenants, stipulations and provisions agreed upon by the parties hereto. No agent or representative of either party has authority to make any promise, inducement or agreement contrary to the provisions herein.

SECTION 3. The Employer hereby voluntarily recognizes the Union as the exclusive bargaining agent of all employees performing bargaining unit work covered by this Agreement, and agrees that a majority of those employees have designated the Union as their collective bargaining representative.

SECTION 4. The Union recognizes the AGC of Washington as the exclusive individual bargaining agent for each Employer who has authorized the AGC of Washington to negotiate individually with the Union on its behalf.

ARTICLE 2 **WORK AFFECTED**

SECTION 1. This Agreement shall cover all Highway, Building, Heavy Construction and Engineering projects including the loading and unloading of barges or other carriers of the Employer's materials and equipment at loading facilities for the contractor's work performed by Employer parties to this Agreement in the counties outlined in Article 3, Section 1.

SECTION 2. For clarification, Heavy, Highway and Engineering projects are defined as follows: construction of railroads, street railways, roads, highways, streets, alleys, sidewalks, curbs and gutters, paving (portland cement or asphaltic concrete), airports, bridges, overpasses, sewers, water mains, sanitation projects, irrigation projects, flood control projects, reclamation projects, reservoirs, dams, dikes, levees, revetments, channels, aqueducts, channel cutoffs, jetties, breakwaters, harbor developments, docks, dry docks, piers, abutments, retaining walls, transmission lines, duct lines, subways, shafts, tunnels, excavation of earth and rock, power generating projects, reinforced earthwork, and all other heavy construction and engineering operations in connection therewith, and all site clearing, demolition work, pipeline and refinery work when covered by this Agreement.

SECTION 3. For further clarification, the term "Building" shall mean a building structure, including modifications thereof, or additions or repairs thereto, intended for use for shelter, protection, comfort and convenience.

SECTION 4. Asbestos/Toxic Waste: This Agreement shall also cover all work in connection with the handling, control, removal, abatement, encapsulation or disposal of asbestos, lead, mold and/or toxic waste.

ARTICLE 3 **TERRITORY OF AGREEMENT**

SECTION 1. This Agreement shall cover all construction work in the following counties: Whatcom, Skagit, Snohomish, King, Pierce, Thurston, Lewis, that portion of Pacific County north of a straight line made by extending the north boundary of Wahkiakum County west to the Pacific Ocean, Grays Harbor, Clallam, Jefferson, Mason, Kitsap, Island, San Juan, Chelan, Kittitas, Yakima and that portion of Douglas County lying west of the 120° meridian.

SECTION 2. Attached hereto and made a part of this Agreement is Appendix 4 which contains any differences in wages, travel or working conditions for the Central Washington area.

ARTICLE 4 EFFECTIVE DATE AND DURATION

SECTION 1. This Agreement shall be effective commencing June 1, 2003, and shall continue in force and effect through May 31, 2007. Upon its expiration, this Agreement shall continue from year to year, June 1 through May 31 of each year, by automatic renewal unless changed, or superceded by a successor principal agreement, or terminated. For the purpose of negotiating alterations in wages and other terms and conditions of employment, either party may open this Agreement or any contract effectuated through automatic renewal by giving written "Notice of Opening" not later than sixty (60) nor more than ninety (90) days prior to the expiration date. "Notice of Opening" is in no way intended by the parties as a termination of, nor shall it in any way be construed as a termination of this Agreement or any annual contract effectuated through automatic renewal nor as forestalling automatic renewal as herein provided. The parties reserve the right to economic recourse in negotiations, except during the interval between the giving of "Notice of Opening" and the expiration date.

SECTION 2. Except by mutual written agreement, termination of this Agreement or any annual contract effectuated through automatic renewal, must to the exclusion of all other methods, be perfected by giving written "Notice of Termination" not later than sixty (60) nor more than ninety (90) days prior to the expiration date, whereupon the contract shall, on its expiration date, terminate. Effective termination eliminates automatic renewal.

SECTION 3. Any "Notice of Opening" or "Notice of Termination" given in hand within sixty (60) days of any expiration date shall be absolutely null and void and completely ineffective for all purposes.

ARTICLE 5 UNION SECURITY

SECTION 1. The employees shall become and remain members of the Union as a condition of employment from the seventh but not later than the eighth day of employment, or the effective date of this Agreement, whichever is later.

SECTION 2. It is further agreed that all Union members employed by the Employer shall maintain their membership in good standing in the Union.

SECTION 3. Failure of any employee to pay or tender normal initiation fees or dues as required by this Agreement shall, upon the request of the Union in writing, result in the termination of such employee within two (2) working days, provided a replacement is available.

ARTICLE 6
UNION RECOGNITION AND HIRING PROCEDURES

SECTION 1. The Employer will call upon the Local Union in whose territory the work is to be accomplished to refer qualified applicants for work in the classifications herein contained. In requesting applicants for work, the Employer shall notify the Local Union office either in writing or by telephone, stating the location, starting time, type of shift schedule (i.e., 5 days at 8 hours or 4 days at 10 hours), approximate duration of the job, the type of work to be performed and the number of employees required.

- A. All qualified applicants referred for work to an Employer shall provide to the Employer when reporting for work two pieces of identification, one of which has a picture of the applicant.
- B. All qualified applicants shall complete and sign W-4 and I-9 forms as requested by the Employer.
- C. An applicant who fails or refuses to submit this information or who provides false information when referred to an Employer shall be registered on the bottom of the appropriate out-of-work list for which the applicant qualifies.
- D. An applicant who, upon a subsequent referral to an Employer, fails or refuses to submit this information, shall be denied use of all hiring facilities within the area of this District Council unless the applicant enters into a written agreement that the applicant will submit the information to Employers.

SECTION 2. When the Employer has placed a verbal or written order for referral of workers from the Local Union and should a shortage of applicants exist and they cannot be supplied by the Local Union within twenty-four (24) hours from the time workers ordered are required to report to the job, Saturdays, Sundays and holidays excluded, the Employer may then seek applicants from other sources.

When an Employer so hires employees from sources other than the Local Union, the Employer shall notify the Union, giving the names and addresses and classifications of the employees hired within five (5) days of the date of employment.

SECTION 3. The Employer shall have the right to reject any job applicant, but the applicant and the Local Union shall be entitled to the reason for such rejection in writing.

SECTION 4. Whenever an employee is discharged for cause, including failure to pass a substance abuse test, not able to perform the assigned work due to lack of skills or as unsatisfactory, the Employer agrees to send a termination notice, within fifteen (15) working days to the Union, stating the reasons for termination. If no notice of cause is provided, the individual shall be eligible for rehire without exception.

SECTION 5.1 General Termination: When a registrant has been terminated as unsatisfactory or has been discharged for cause by at least three (3) Employers within a twenty-four (24) month period, he/she shall be denied further use of all hiring halls covered by the District Council provided the Employers have furnished the Local Unions in writing the reasons for such terminations or discharges. Members wishing to demonstrate that corrective action has been taken by them, and therefore should be allowed access to the hiring hall facilities, may petition the District Council's Executive Board for an opportunity to appear and give their position.

SECTION 5.2 Skills Termination: When a registrant has been terminated for lack of possessing the necessary skills to perform assigned duties, by at least three (3) Employers within a twenty-four (24) month period, satisfactory completion of additional training will be required before hiring hall privileges are restored in the classification in question.

SECTION 5.3 Substance Abuse Termination: The following provision applies only to those Employers using the AGC-Labor Substance Abuse Program or one that has been jointly negotiated with the Union. In order to protect the privacy of all employees, termination notices for failure of the drug test must be sent "Personal and Confidential" to:

Business Manager
Washington & Northern Idaho
District Council of Laborers
P.O. Box 12917
Mill Creek, Washington 98082-0917

When a registrant has been terminated, and/or is deemed ineligible for rehire, for failure to pass a substance abuse test, the individual shall be registered on the bottom of the appropriate out-of-work list for which he/she qualifies. Should the registrant be terminated a second time within a twenty-four (24) month period for failure to pass a substance abuse test, the registrant shall be denied use of all hiring facilities within the area of the District Council until he/she has successfully completed a State certified drug/alcohol program or has been released for employment purposes by a State certified counselor, and continues to remain free of all prohibited substances as defined in the AGC-Labor Substance Abuse Program.

SECTION 6. Where Employers engage in a joint venture, individuals employed by a member company of the joint venture may be transferred to the job or called for by name by said member company of the joint venture within the territory covered by this Agreement.

SECTION 7. The referral procedure as contained herein shall be followed except:

Requests by the Employer for key personnel to act as supervisors or foremen shall be honored without regard to the requested employee's place on the out-of-work list. To qualify for a request under this Section, the employee must actually perform the duties of the position requested.

Bona fide requests will be honored for individuals previously employed by the Employer when requested by name and whose name appears on the out-of-work list and who have been legally employed by the Employer in the area of the jurisdiction of the Local Union.

Note: Any individual who was previously hired illegally or improperly by the Employer, may not seek priority of dispatch under this Section.

The Employer may bring three (3) present employees at his discretion into the geographic jurisdiction of the Local Union for each job. In such cases, the Employer transferring such employees from one local jurisdiction into another Local Union jurisdiction shall be required to check in and receive clearance from the Local Union having jurisdiction over the project. Failure to comply with this provision may be grounds for the Union to request termination of said employees.

Additionally, the Employer may request by name, regardless of their respective position in Group A, one (1) individual for each three (3) Laborers hired. (Exception for Central Washington only: one (1) individual for each one (1) Laborer hired.) The provision will apply to Group A registrants only.

When the Employer has placed an order for employees requiring special skills or of special classification, applicants possessing the qualifications of the job will be referred in the order in which their names appear on Group A, C or D of the out-of-work list.

SECTION 8. College students: College students seeking employment during the period of May 1st through October 1st shall register on the Local Union's out-of-work list by personal call or in writing. An Employer (owner) desiring to hire such students shall notify the Local Union of such desire and the student shall not be employed until such registration has been complied with.

When a student is called for by name, he will be referred to the Employer without regard to his place on the out-of-work list. But, such request for college students shall be allowed on the ratio of one (1) for the first five (5) Laborers employed up to a total of three (3) students on any one job. However, this ratio may be waived by mutual agreement of the Union and the Employer.

A college student must demonstrate that he has been accepted as a full time student and is currently registered in school with no less than twelve (12) credited hours of instruction.

SECTION 9. Apprentices: The employment of apprentices shall be in accordance with the following ratios per job:

- A. Apprentices may be hired in the ratio of one (1) apprentice for the first five (5) Laborers employed. After five (5) Laborers have been employed, one (1) apprentice shall be hired for each additional five (5) Journeyman Laborers employed.

NOTE: Apprentices may not be transferred outside the area of the subcommittee's jurisdiction except when done in accordance with subsection 9 D.

- B. When performing overtime or emergency work, journeyman Laborers will be given preference.

WORK DEFINED: By a single crew or on a crew by crew basis, and not to the job as a whole.

- C. The above ratio is subject to the availability of apprentices.
- D. When Employers wish to transfer apprentices from one project to another resulting in the need to transfer from one local union to another covered by this Agreement, they must have permission of both local JETC subcommittees.
- E. At no time will apprentices' wage rates exceed those of journeyman for the same classification of work.
- F. If at any time a contractor requests that a named individual be indentured into the Apprenticeship program, that individual must first have been evaluated by the new entrant assessment program and passed the Pre-Construction Training (PCT) course.
- G. On jobs requiring special skills, the Employer by mutual agreement with the Local Business Representative, may waive the above apprentice ratio, on a job by job basis.
- H. When an apprentice is required to attend training necessary for maintaining and/or upgrading his/her status in the apprenticeship program, and such training necessitates the absence of the apprentice from a job, the Employer shall grant the apprentice leave from the job to satisfy the training requirement and restore his/her status on the job when the training is completed, provided a position is available.

ARTICLE 7

SUBCONTRACTORS

SECTION 1. The Employer agrees it will not subcontract or otherwise transfer in whole or in part any work covered by this Agreement to be done at the site of the construction, alteration, painting or repair of a building, structure, or other work unless the person, firm, corporation or other business entity is signatory to this Agreement. The Employer agrees that a member of the Union will be employed by the Employer or any contractor or subcontractor at the job site if there is work to be done coming under the jurisdiction of the Union Agreement. The Union agrees that it will not take strike action to enforce this Article. In the event of any change in the present law, this clause will be re-negotiated.

SECTION 2. Whenever the Employer is obligated to satisfy MBE/WBE/DBE recruiting requirements, the Union and the Employer by mutual agreement may waive this provision prior to commencement of the work in the event an the Employer and Union are unable to find qualified competitive Union MBE/WBE/DBE subcontractors.

SECTION 3. When potential union subcontractors are not available in the locality of the job site to perform the work and where the general contractor receives no competitive union bids, by mutual agreement, the Employer and the Union may waive this provision. Provided, however, the Union and the Employer shall review the prices submitted before assigning the non-union subcontractor.

SECTION 4. When the landscaping portion of a project is under two hundred fifty thousand dollars (\$250,000) in value the Employer may waive this provision. For the purpose of this Section, landscaping shall be as currently defined in WAC 296-127-01346.

ARTICLE 8 HOLIDAYS

SECTION 1. Holidays recognized by this Agreement shall be New Year's Day, Memorial Day (last Monday in May), Fourth of July, Labor Day, Thanksgiving Day, Friday and Saturday after Thanksgiving Day and Christmas Day. Any holiday which falls on a Sunday shall be observed as a holiday on the following Monday. A holiday shall be a twenty-four (24) hour period, beginning with the regular starting time of the first shift on the date of the holiday, unless otherwise mutually agreed to by the Employers and the Union. No work shall be performed on Labor Day except to protect life and property or by mutual agreement of the Union and the Employer. If any of the listed holidays falls on a Saturday, the preceding Friday shall be a regular work day.

ARTICLE 9 LUNCH PROVISIONS

SECTION 1. Employees shall not be required to work more than five (5) hours from the start of the shift without at least a one-half (½) hour break for lunch. This lunch period shall not begin earlier than three and one-half (3½) hours after the start of the shift. If they are required to work past five (5) hours, one-half (1/2) hour at the applicable overtime rate shall be added to the hours worked and they must then be allowed time to eat their lunch. If not allowed to eat lunch, employees will be paid an additional one-half (½) hour of overtime.

SECTION 2. Employees required to work more than two (2) hours after the end of the regular shift shall be allowed at least one-half (½) hour meal period which shall be considered as time worked, and if it is impractical for the employees to leave the job, they shall be provided a lunch by the Employer. If not given the one-half (1/2) hour meal period, one-half (1/2) hour at the applicable overtime rate shall be added to the hours worked. In the event that the Employer establishes a ten (10) hour day, the first lunch period shall be at mid-shift. Employees' lunch period may be staggered during the period of three and one-half (3½) to five (5) hours from the start of the shift to cover necessary work of a continuous nature.

ARTICLE 10

PAY DAY

SECTION 1. Employees shall be paid in full once each week (on the same day), but in no event shall more than five (5) days' (Saturday, Sunday and holidays excluded) wages be withheld.

If the regular payday falls on a holiday, the employees shall be paid on the last regular work day before the holiday.

The Employer will have the following options of making payment: negotiable check made on local bank, paid prior to quitting time at the job site; direct deposit, in the employee's bank account, at election of employee; or by mail, at election of employee, in writing. If paid by mail, the check shall be postmarked not later than two (2) business days prior to the established payday.

No employee shall be discharged, laid off, disciplined, replaced, transferred or have any other adverse action taken against him/her for refusing to use the direct payroll deposit or mail option.

The Employer shall furnish to each employee, at the time of payment of wages, an itemized statement showing the pay basis (i.e., hours or days worked), rate or rates of pay, gross wages and all deductions from that pay period. In addition, the name, address and phone number of the Employer shall be indicated.

No adjustment of disputed pay will be made unless the employee or the Union shall make a claim in writing to the Employer's representative within fifteen (15) days from the pay period in question.

SECTION 2. Employees who quit shall be paid not later than the next regular pay period.

SECTION 3. Employees who are laid off or discharged shall be paid not later than the end of the next regular business day.

SECTION 4. If the payment is not made expressly as provided in this Article, then the employee shall be paid two (2) hours pay at the appropriate hourly wage rate for each twenty-four (24) hour period thereafter until payment is made. In the case of payment by mail, the postmark on the envelope will serve as the cutoff date for any penalty.

ARTICLE 11

UNION REPRESENTATIVE

SECTION 1. Authorized representatives of the Union shall have access to the projects provided they do not unduly interfere with the work of employees, and that they fully comply with the safety and

security procedures established for the project. On projects with restricted access, the Employer will cooperate with the Union officials in this regard as far as regulations permit.

SECTION 2. Union representatives will attempt to report to job site supervision prior to entering the job site.

ARTICLE 12 SETTLEMENT OF DISPUTES

SECTION 1. In cases of violation, misunderstandings or differences in interpretation of this Agreement, there shall be no cessation or stoppage of work. Both parties pledge their immediate cooperation to eliminate the above mentioned possibilities, and the procedure in Section 2 is outlined for this purpose.

SECTION 2. Procedure for Settlement of Disputes:

Step One: In the event that a dispute arising on the job cannot be satisfactorily adjusted on the job between the representative of the Union involved and the Employer, the dispute shall promptly (not later than fifteen (15) working days), be referred to the authorized representative of the Union and the Employer or his authorized representative. Should they fail to effect a settlement, the matter shall proceed to Step Two.

Step Two: The dispute shall be referred to a Board of Conciliation within fifteen (15) working days. This Board shall consist of two (2) persons who have no direct involvement in the dispute, appointed by each party. If these four (4) persons cannot effect a settlement within seven (7) days after the dispute has been referred to them, the matter shall proceed to Step Three.

Step Three: By mutual agreement, the issue may be referred to mediation. The parties shall request a mediator from the Federal Mediation & Conciliation Service or other mutually acceptable service. This person shall serve as the mediator to resolve the dispute. The expense of employing the mediator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs. Should mediation be waived or the parties fail to reach agreement, the matter shall proceed to Step Four.

Step Four: The parties shall request a list of seven (7) arbitrators from the Federal Mediation & Conciliation Service or other acceptable service and shall alternately strike names until only one name remains. This person shall serve as the arbitrator to resolve the dispute. The expense of employing the arbitrator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs.

Any decision shall be within the scope and terms of this Agreement. It may also provide retroactivity not exceeding sixty (60) days and shall state the effective date. Decisions by the Board

shall be rendered within twenty (20) days or at their discretion after the dispute is referred to them, and such decision shall be final and binding upon all parties. By mutual agreement, the aforementioned time frames in this Article may be waived or extended.

ARTICLE 13

SETTLEMENT OF JURISDICTIONAL DISPUTES

SECTION 1. There will be no strikes, no work stoppages or slowdowns or other interference with the work because of jurisdictional disputes.

SECTION 2. The Employer shall be responsible for all jurisdictional assignments. In issuing such assignments, the Employer shall be guided by area practice, decisions of record and jurisdictional agreements of record. Craft jurisdiction is neither determined nor awarded by classifications appearing in any labor agreement.

SECTION 3. If a jurisdictional dispute arises, it shall first be submitted to the local unions involved and the affected AGC Chapter for settlement, then if no understanding or agreement is reached within forty-eight (48) hours, the parties may refer the dispute to the International Unions with which the disputing Unions are affiliated for resolution and the Employer shall abide by the resolution. The disputed work shall continue as assigned by the Employer until the dispute has been resolved.

ARTICLE 14

STRIKES AND PICKET LINES

SECTION 1. It is mutually agreed that there shall be no strikes, lockouts or other slow down or cessation of work by either party on account of any labor difference pending the utilization of the grievance machinery, as set forth in Article 12.

SECTION 2. Employees will not be discharged, disciplined or permanently replaced for any protected activity related to the recognition of a primary picket line approved by the Union party to this Agreement.

SECTION 3. As required by law, employees shall be furnished to the Employer during labor disputes with other construction crafts and the Employer will endeavor to work as long as economically possible during these periods.

ARTICLE 15

SAFETY MEASURES

SECTION 1. The Employer and the employee will conform to all Federal and State health and safety regulations applicable to work covered by this Agreement and shall have adequate shelters available

where necessary, with heat, where the employees can change and dry their clothes and store their tools.

On all projects covered by this Agreement, there shall be provided by the Employer at all times during construction, sanitary facilities consisting of a reasonable number of toilets and urinals, on tunnel projects separate showers for men and women. Fresh drinking water will be available to the employees. Employer will furnish all welding, safety and protective equipment required; including, but not limited to, leathers, hard hats, eye protection, ear protection, respirators, safety belts and lanyards, reflective vests, flagging signs and paddles.

SECTION 2. This Agreement is not intended to and shall not be construed as creating, imposing, or adopting on the Union or representatives any state common-law duties in the areas of safety.

ARTICLE 16 SAVINGS CLAUSE

SECTION 1. This Agreement is not intended to and shall not be construed to permit acts which violate any valid Federal or State law.

SECTION 2. If any provision of this Agreement or the application of such provision shall in any court or other Governmental action, be held invalid, the remaining provisions and their application shall not be affected thereby. Provided, however, upon such invalidation the parties signatory hereto agree to immediately meet to re-negotiate such provisions affected. The parties agree to arrive at a mutually satisfactory replacement within sixty (60) days unless a definite extension of time is mutually agreed to. In the event that the parties are unable to negotiate a replacement, the matter shall be resolved through the provisions of Article 12.

ARTICLE 17 HOURS OF WORK

SECTION 1. SINGLE SHIFT OPERATION

A. Eight (8) hours shall constitute a day's work, five (5) days shall constitute a week's work, Monday through Friday.

B. A single shift operation shall be restricted to the hours between 6:00 A.M. and 6:00 P.M. and eight (8) hours of continuous employment (except for lunch period) shall constitute a day's work Monday through Friday of each week. In the event the job is down due to weather conditions, Monday through Friday, then Saturday may, at the option of the Employer, be worked as a voluntary make-up day at the straight time rate. However, Saturday shall not be utilized as a make-up day when a holiday falls on Friday.

C. Four ten (10) hour shifts at the straight time rate may be established on a project either Monday through Thursday or Tuesday through Friday. There will be no overlapping of four ten (10) hour shifts between crews or other crafts on the same project of the Employer. In the event the job is down due to weather conditions, then Friday (when working Monday through Thursday), or Saturday

(when working Tuesday through Friday), may, at the option of the Employer, be worked as a voluntary make-up day. All hours worked in excess of ten (10) hours a day or forty (40) hours a week must be compensated at the overtime rate. However, Saturday shall not be utilized as a make-up day when a holiday falls on Friday.

D. No employee shall be discharged, laid off, disciplined, replaced or transferred for refusing to work a make-up day.

E. In the event of a civil emergency such as, but not limited to, earthquakes, floods, or fires, starting time of the shift may be made to fit the emergency and eight (8) hours in any twenty-four (24) hour period may be worked at straight time. In order to work such shift, mutual agreement shall be received.

F. Special Shifts: When due to conditions beyond the control of the Employer or when contract specifications require that work can only be performed outside the regular day shift, then a special shift may be worked at the straight time rate. The starting time of work will be arranged to fit such conditions of work. Such shift shall consist of eight (8) hours work for eight (8) hours pay or ten (10) hours work for ten (10) hours pay for four ten hour shifts worked in accordance with paragraph (c) of this Section.

G. Holiday Week: In the event that a holiday is celebrated during the week (Monday through Friday), the remaining four days of the week may be worked as four ten hour shifts, as defined in paragraph (c) of this Section.

SECTION 2. MULTIPLE SHIFT OPERATION

Shifts may be established when considered necessary by the Employer. Shift hours and rates will be as follows:

A. Two (2) Shift Operation: On a two consecutive shift operation, no shift penalty is involved for work performed on either of these two shifts. Each shift must be scheduled for at least eight (8) hours except as provided for in Section 1 of this Article. On a two shift operation, the second shift shall be established for a minimum of three (3) days. The Employer shall notify the Local Union prior to the start of a two (2) shift operation.

Once the starting times are established for the two shift operation, they shall not be changed except upon three (3) working days, written notice to the Union.

B. Three Shift Operation: On a three (3) shift operation, the following shall apply:

First Shift - The regular hours of work on the first shift of three shift operations shall be eight (8) hours of continuous employment, except for lunch period at mid-shift, between the hours of 6:00 A.M. and 6:00 P.M.

Second Shift - The second shift shall be seven and one-half (7-½) hours of continuous employment, except for lunch period at mid-shift, and shall be paid eight (8) hours at the straight time hourly wage rate.

Third Shift - The third shift shall consist of seven (7) consecutive hours of employment, except for lunch period at mid-shift, and shall be paid eight (8) hours at the straight time hourly wage rate.

C. Multiple shift (a two or three shift) operation will not be construed on the entire project if at any time it is deemed advisable and necessary for the Employer to multiple shifts a specific operation. Those groups of employees only who relieve first shift groups of employees and such first shift groups of employees who are relieved by groups of employees on a second shift, and on a three shift operation those groups of employees who relieve the groups of employees on a second shift, shall be construed as working multiple shifts. The intent of this clause shall be construed so as to recognize that a "reliever group" and a "relief group" do not necessarily mean "employee for employee" relief.

D. It is understood and agreed that when the first shift of a multiple shift (a two or three shift) operation is started at the basic straight time rate or at a specific overtime rate, all shifts of that day's operation shall be completed at that rate.

E. The Employer shall notify the Local Union prior to the start of a multiple shift (a two or three shift).

SECTION 3. GENERAL PROVISIONS:

A. Call Out. When employees have completed their scheduled shift and are "called out" to perform special work of a casual, incidental or irregular nature they shall receive premium pay in accordance with the proper overtime rates with a minimum guarantee of two (2) hours' pay at the employee's overtime wage rate.

B. Paving Operations. To take full advantage of weather conditions, starting time of operations for the paving of asphalt paving, road oiling and concrete paving will be at the option of the Employer. However, standby time will be considered as part of the regular operation and will be paid at the regular rate.

C. Tide Work. When employees are called out between the hours of 6:00 P.M. and 6:00 A.M. to work broken time on tide work, all time worked shall be at time and one-half (1-1/2) the basic hourly rate of pay, and a minimum of four (4) hours' pay at the employee's straight time rate. Except for the above, all tide work shall be worked in accordance with provisions of the general Agreement.

D. Maintenance, Watchperson and Flagger. When no other work is in progress and it is necessary to keep a maintenance person, watchperson, or flagger on duty on Saturdays and Sundays, they will be paid straight time rates but allowed two (2) regular consecutive days off each week. If these employees work more than five (5) consecutive days in any one week, the sixth (6th) day shall be paid for at time and one-half (1-1/2) the basic rate and the seventh (7th) day shall be paid for at double (2) the basic rate.

ARTICLE 18 **OVERTIME**

SECTION 1. Work performed in excess of eight (8) hours of straight time per day, or ten (10) hours of straight time per day when four ten (10) hours shifts are established, Monday through Friday, or outside the normal shift, and all work on Saturdays, except for make-up days, shall be paid at time and one-half the straight time rate. All work performed on Sundays and holidays shall be paid at double the straight time rate of pay.

The Employer shall have the sole discretion to assign overtime work to employees. Primary consideration for overtime work shall be given to employees regularly assigned to the work to be performed on overtime situations.

SECTION 2. After an employee has worked eight (8) hours at an applicable overtime rate, all additional hours shall be at the applicable overtime rate until such time as the employee has had a break of eight (8) hours or more.

ARTICLE 19 **REPORTING AND MINIMUM HOURS PAY**

SECTION 1. When an employee or new hire reports to work for his regular or assigned shift and weather permitting, is not put to work, he shall be paid two (2) hours reporting time and shall remain at the job site for the two (2) hours if required by the Employer.

SECTION 2. Employees who work less than two (2) hours shall be paid two (2) hours; they shall be paid a minimum of four (4) hours if required to work more than two (2) hours; they shall be paid a minimum of six (6) hours if required to work more than four (4) hours; they shall be paid eight (8) hours if required to work more than six (6) hours; and they shall be paid ten (10) hours if required to work more than eight (8) hours on a regularly established ten (10) hour shift. Employees who cannot work a full shift because of weather conditions shall be paid for actual hours worked.

SECTION 3. If any employee refuses to start work or if any employee stops work of his own volition, the minimums set forth in Section 2 above shall not apply.

SECTION 4. When employees are called out to work on overtime days and weather permitting, are not put to work, they shall receive pay for two (2) hours at the applicable overtime rate of pay. When

men are put to work on overtime days, they shall be paid the actual time worked at the overtime rate, however, the minimum shall be two (2) hours at the overtime rate of pay.

SECTION 5. When employees, including new hires, reporting for work arrive on the job unprepared to perform the work required (for example, under the influence of alcohol or drugs, or inadequately clothed), the Employer shall not be expected to put such individuals to work nor shall they be entitled to reporting pay if not put to work.

ARTICLE 20 MANAGEMENT RIGHTS CLAUSE

SECTION 1. The Employer retains full and exclusive authority for the management of its operation unless otherwise limited by this bargaining Agreement. The Employer shall direct his working forces at his sole prerogative including, but not limited to hiring, promotion, transfer, layoff or discharge for just cause as traditionally practiced within the Construction Industry. The Employer shall utilize the most efficient methods or techniques of construction, tools or labor saving devices. There shall be no limitations upon the choice of materials or design except those imposed by safety and health considerations.

SECTION 2. The foregoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth. The Employer retains all legal rights not specifically covered by this Agreement.

SECTION 3. It shall not be a violation of this Agreement when an Employer considers it necessary to shut down a job to avoid the possible loss of human life, because of an emergency situation beyond the Employer's control that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Employer requests the employees to stand by, the employees will be compensated for the "stand by" time.

If such a condition continues, the Employer agrees to give at least two hours notice to members of the next shift scheduled to report for duty. In the event that at least two hours notice is not given, employees who report for work at their regular reporting time and are not put to work shall be paid "show up pay".

This article shall be subject to the grievance procedure set forth in Article 12.

ARTICLE 21 SPECIAL CONDITIONS

SECTION 1. Both parties recognize that there may be extenuating circumstances when it is to the mutual interest of both parties to modify the terms of this Agreement. In that event, it will not be a violation of this Agreement for the parties to meet and mutually agree to make such modifications to meet a specific need on a specific project.

SECTION 2. In order to maximize the effect of this provision, all crafts will be requested to act uniformly. The General Contractor shall encourage his subcontractors to comply with any modifications granted under this provision.

ARTICLE 22 PRE-DETERMINED WAGE RATE PROJECTS

SECTION 1. In the event the Employer bids a public job or project being awarded by a Federal, state, county, city or other public entity which is to be performed at a pre-determined and/or prevailing wage rate established pursuant to the provisions of the Davis-Bacon Act (Public Law 74-403 (8/30/35) as amended 3/23/41 and 7/2/64 (40 USC 276A-276A7 as amended)) or established by the Industrial Commission of Washington pursuant to the provisions of Title 39 RCW (39.12) prevailing wages on public works-Washington State, Prevailing Wage on Public Works, the published hourly wage rate set forth in said public work at the time of bid shall apply for the first twenty-four (24) months of the project from the date of the notice to proceed. After twenty-four (24) months the current contract wage and fringe rate will apply. The fringe benefit contribution rates for Health and Welfare only shall be those as established and maintained by the Master Agreement. Notwithstanding the above, project agreements may be mutually agreed upon to allow use of the pre-determined wage rate for the duration of a project to exceed twenty-four (24) months.

SECTION 2. In the event the specifications include an escalator provision covering wages, such amount will be included as an increase to wages to the extent that the Employer may recover in the escalator claim.

SECTION 3. The Employer may, when requested in writing, supply accurate and reliable information on company stationery that will assist the Union in establishing the correct Davis-Bacon rates when responding to DOL requests for prevailing wage data.

ARTICLE 23 UNION DUES DEDUCTIONS

SECTION 1. Upon presentation of a proper authorization form executed by the individual employee, the Employer agrees to deduct Union dues from net pay after taxes and remit same to the Union in accordance with applicable law. It is understood the Employers will remit each month the Union dues deducted in accordance with this Article on the transmittal forms used for fringe benefit contributions and that the pro-rata costs of such forms and the collection and accounting thereof will be paid by the Union to the fringe benefit administrator.

ARTICLE 24
EQUAL EMPLOYMENT OPPORTUNITY

SECTION 1. The parties to this Agreement acknowledge and agree to comply with the requirements of Federal and State laws, Executive Orders and other rules and regulations governing civil rights to insure that there shall be no discrimination in employment against any employee or applicant for employment because of age, race, color, religion, sex or national origin.

SECTION 2. The parties hereto recognize that the Employer's compliance with project specifications is of paramount importance. It is mutually agreed, therefore, by the parties to this Agreement, that provisions of this Agreement will be interpreted, applied and enforced in a manner that will serve to assure compliance with project specifications as they relate to recruiting, training and hiring.

ARTICLE 25
NORTHWEST FAIR CONTRACTING INDUSTRY IMPROVEMENT COMMITTEE

SECTION 1. The Employer agrees to deduct from the net pay (after taxes) of each employee performing work covered by the terms of the Agreement a sum as listed in Schedule "A," for each hour worked and remit same to the Northwest Fair Contracting Industry Improvement Committee. Contributions will be made on the same form as the Health and Security payments.

The pro-rata costs of such forms, collection and accounting will be paid by the Committee to the fringe benefit administrator.

ARTICLE 26
SUBSTANCE ABUSE POLICY

SECTION 1. Labor and Management are committed to providing employees with a drug-free and alcohol-free work place. It is the goal to protect the health and safety of employees and to promote a productive work place, and to protect the reputation of Labor and Management and the employees.

SECTION 2. Consistent with these goals, the Employer prohibits the use, possession, distribution or sale, at its employment sites, of drugs, drug paraphernalia or alcohol. A testing program pursuant to the Substance Abuse Program, may be instituted, upon mutual consent of labor and management which consent shall not unreasonably be withheld, to monitor compliance with this policy.

SECTION 3. An acceptable Substance Abuse Program is contained in a separate addendum to this Collective Bargaining Agreement, but it is not a part of this agreement and modifications to this

Substance Abuse Program , by mutual agreement of an employer and the Union, will not constitute a change to this agreement.

SECTION 4. Any grievance related to any Employer's substance abuse program shall be resolved through Article 12, Settlement of Disputes, of this Agreement.

ARTICLE 27

LABORERS-EMPLOYERS' COOPERATION AND EDUCATION TRUST

SECTION 1. The Employer and the Union recognize that they must confront many issues of mutual concern which are more susceptible to resolution through Labor-Management Cooperation than through collective bargaining. To seek resolution of these mutual concerns and to advance mutual interest through Labor-Management Cooperative efforts, the Employer and the Union agree to participate in the Labor-Management Cooperation Committee described herein which is established in accordance with Section 302 (C)(9) of the Taft-Hartley Act.

SECTION 2. The Employer shall contribute to the Seattle Region Labor-Management Cooperation Committee in an amount designated by the Union for each hour or portion of an hour for which each employee covered by this Agreement is entitled to receive pay. Said contribution shall become effective June 1, 1995 and for each month thereafter for the term of this Agreement. The Employer shall submit all contributions to the Regional Cooperation Committee in accordance with the requirements of the Committee. The Employer and the Union hereby adopt the Agreement and Declarations establishing the Regional Cooperation Committee.

SECTION 3. Contributions will be made on the same form as the Health and Security payments. The pro-rata costs of such forms, collection and accounting will be paid by the Committee to the fringe benefit administrator.

SECTION 4. This Article will sunset May 31, 2005 unless the parties to this contract agree to its extension.

ARTICLE 28

LIGHT DUTY RETURN TO WORK

SECTION 1. The Employer may return an injured employee to light duty status when allowed by the employee's doctor. When such light duty work is available, light duty functions may not be work of another craft or work under classifications covered by the Master Laborers Agreement.

SECTION 2. At no time will the employee's total earnings be less than his/her full time loss compensation under industrial insurance. Further, the employee will be provided with a full fringe package, as per the collective bargaining agreement, over and above total remuneration.

SECTION 3. Should the employee on light duty have to be laid off due to no work available, the Employer will not adversely affect his/her ability to continue to receive loss time benefits from the Industrial Insurance Division of Labor and Industries (including self-insured employers), provided they are still medically eligible.

APPENDIX 1
CLASSIFICATIONS AND WAGES

1. SCHEDULE A - WESTERN WASHINGTON: To include the following counties: Whatcom, Skagit, Snohomish, King, Pierce, Thurston, Lewis, that portion of Pacific County north of a straight line made by extending the north boundary of Wahkiakum County west to the Pacific Ocean, Grays Harbor, Clallam, Jefferson, Mason, Kitsap, Island and San Juan.
2. SCHEDULE B - FRINGE BENEFITS
3. SCHEDULE C - ZONE PAY DIFFERENTIAL

APPENDIX 2
CRAFT WORKING RULES

APPENDIX 3
COMPRESSED AIR WORK

APPENDIX 4
CENTRAL WASHINGTON PROVISIONS

APPENDIX 5
OPERATION OF LOCAL UNION HIRING HALLS

APPENDIX 1
SCHEDULE "A"
CLASSIFICATIONS AND WAGE SCALES

SECTION 1. Wage scales shall be recognized as applying to classifications and employees shall be paid at the rate of the classification which their work calls for.

The wage rates in the schedules below shall become effective June 1, 2003, and shall remain in effect until May 31, 2007

NOTE: ONLY ZONE "A" RATES ARE SHOWN FOR ALL CLASSIFICATIONS. REFER TO SCHEDULE "C" FOR ZONE "B" & "C" RATE ADJUSTMENTS.

SECTION 2.

| WAGES | | | | |
|--------------|-----------------------|---------------------|---------------------|---------------------|
| Group | Effective Date | | | |
| | June 1, 2003 | June 1, 2004 | June 1, 2005 | June 1, 2006 |
| I | \$17.71 | \$17.96 | \$0.85* | \$0.90* |
| IIA | \$20.03 | \$20.28 | \$0.85* | \$0.90* |
| IIB | \$21.63 | \$21.88 | \$0.85* | \$0.90* |
| III | \$24.71 | \$24.96 | \$0.85* | \$0.90* |
| IV | \$25.19 | \$25.44 | \$0.85* | \$0.90* |
| V | \$25.55 | \$25.80 | \$0.85* | \$0.90* |

*Total package increase. The 2005 and 2006 allocation of the wage/fringe will be determined sixty (60) days prior to the anniversary date.

| DEDUCTION FROM NET WAGE (These deductions are included in wages) | | | | |
|--|-----------------------|---------------------|---------------------|---------------------|
| | Effective Date | | | |
| | June 1, 2003 | June 1, 2004 | June 1, 2005 | June 1, 2006 |
| Credit Union | \$1.00 | \$1.00 | \$1.00 | \$1.00 |
| NW Fair Contracting | \$0.04 | \$0.04 | \$0.04 | \$0.04 |
| Union Dues | \$0.60 | \$0.60 | \$0.60 | \$0.60 |

| FRINGE BENEFITS | | | | |
|---------------------------------------|-----------------------|---------------------|---------------------|---------------------|
| | Effective Date | | | |
| | June 1, 2003 | June 1, 2004 | June 1, 2005 | June 1, 2006 |
| Health & Security | \$4.45 | \$4.70 | TBA | TBA |
| Pension | \$2.40 | \$2.65 | TBA | TBA |
| Apprenticeship Training/Retraining | \$0.30 | \$0.30 | TBA | TBA |
| L.E.C.E.T. | \$0.05 | \$0.05 | TBA | TBA |

| APPRENTICESHIP RATES | | | | |
|---|-----------------------|---------------------|---------------------|---------------------|
| | Effective Date | | | |
| | June 1, 2003 | June 1, 2004 | June 1, 2005 | June 1, 2006 |
| 0-1000 Hours 60% | \$14.83 | \$14.98 | TBA | TBA |
| 1001-2000Hours 70% | \$17.30 | \$17.47 | TBA | TBA |
| 2001-3000 Hours 80% | \$19.77 | \$19.97 | TBA | TBA |
| 3001-4000 Hours 90% | \$22.24 | \$22.46 | TBA | TBA |
| The Fringe benefit contribution rates for the apprentices shall be the same as for the journeymen. However, at no time will apprentices' wage rates exceed those of journeymen for the same classification of work. | | | | |

| | | |
|--|--|------------------------------------|
| Group I | Landscaping & Planting & Irrigation Sprinkler Systems | Watchman Window Washer/Cleaner* |
| *Detail clean-up, such as, but not limited to, cleaning floors, ceilings, walls, windows, etc. prior to final acceptance by the Owner. | | |

| | | |
|-----------|---|-------------------------------------|
| Group IIA | Batch Weighman Crusher Feeder Fence Laborer | Firewatcher Flagger Pilot Car |
|-----------|---|-------------------------------------|

| | |
|-----------|----------------------------|
| Group IIB | Traffic Control Supervisor |
|-----------|----------------------------|

| | |
|-----------|---|
| Group III | Air, Gas or Electric Vibrating Screed Gabian Basket Builders |
|-----------|---|

| | | |
|---|---|---|
| (General Laborer) | Asbestos, <u>Mold and Lead</u> Abatement Laborers Ballast Regular Machine Brush Cutter Brush Hog Feeder Burner Carpenter Tender Cement finisher Tender Change House or Dry Shack Chipping gun (Under 30 Lbs.) Choker Setter Chuck Tender Clean-up Laborer Concrete Form Stripper Curing Laborer Demolition: Wrecking & Moving (Including charred material) Ditch Digger Dump Person Epoxy Technician Erosion Control Worker Fine Graders Form Setter | Grout Machine Tender Grinders Guardrail Erector Hazardous Waste Worker (Level C) Maintenance Person Material Yard Person Pot Tender Powderman's Helper Rip Rap Person Riggers Scale Person Scaffold Erector Signal Person Sloper Sprayer Stake Hopper Stock Piler Toolroom Person (At job site) Topper Track Laborer Truck Spotter Vinyl Seamer Welder |
| Note: All other work classifications not specifically listed shall be classified as General Laborer Group III. | | |

| | | |
|----------|---|---|
| Group IV | Cement Dumper-Paving Chipping Gun (30 Lbs. and over) Clary Power Spreader Concrete Dumper/Chute Operator Concrete Saw Operator/Core Driller Drill Operator (hydraulic, Diamond) Faller & Bucker Chain Saw Grade Checker & Transit Person Groutmen (Pressure) Including Post Tension Beams Hazardous Waste Worker (Level B) Jackhammer Laserbeam Operator Manhole Builder-Mudman Mortarman & Hodcarrier Nozzleman (Concrete Pump, | Pavement Breaker Pipe Layer/Tailer Caulker Pipe Pot Tender Pipe Reliner Pipe Wrapper Power Jacks Railroad Spike Puller-Power Raker – Asphalt Rivet Buster Rodder Sloper (Over 20") Spreader (Concrete) Tamper (Multiple & Self-propelled) Tamper & Similar electric, air & gas operated tools |
|----------|---|---|

| | | |
|---------|---|---|
| | Green Cutter, when using combination of high pressure air & water on concrete & rock, Sandblast, Gunit, Shotcrete, Water Blaste,, Vacuum Blaster) Motorman-Dinky Locomotive | Timber Person Sewer- (Lagger, Shorer & Cribber) Track Liner Power Tugger Operator Vibrator Well Point Laborer |
| Group V | Airtrac Drill Operator Caisson Worker Diver High Scaler Miner | Pipe Layer (Lead) Powderman Re-Timberman Hazardous Waste Worker (Level A) |

SECTION 3. Swinging Stage/Boatswain Chair: Employees working on a swinging stage or boatswain chair or under conditions that require them to be tied off to allow their hands to be free shall receive twenty-five cents (\$0.25) per hour above the classification rate. This provision also applies to high scalers when using pneumatic tools.

SECTION 4. Cofferdam Work: Miners shall be employed on work within or behind cofferdams if hazard is equivalent to shaft excavation.

SECTION 5. Compressed Air Work: The conditions and wage schedules for compressed air work are contained in Appendix 3 to this Agreement and hereby become a part of this Agreement as though contained in the body thereof.

SECTION 6. Riggers, Burners and Welders shall be paid according to the classification in which they are working.

SECTION 7. Foreman, Asbestos, Lead, Mold or Toxic Waste Supervisor: When one of the Laborers is designated to act as a Foreman, Asbestos, Lead, Mold or Toxic Waste Supervisor, that individual shall receive one dollar and sixty cents (\$1.60) per hour above the highest Laborers' classification supervised. It is the intent of the parties when Laborers are employed in groups, where in the opinion of the Employer a Foreman is required, they shall be supervised by a Laborer Foreman covered by this Agreement and he shall be a working Foreman.

The Employer has the right to assign a non-bargaining unit employee as the Traffic Control Supervisor. However, if the employee performs any work of a "Traffic Control Labor", he/she shall be required to make membership in the Union in accordance with the requirements of Article 5.

SECTION 8. Live Sewer: When men are required to work in or with live sanitary sewage, they will receive a premium pay of twenty dollars (\$20.00) per day above their regular daily classification pay. Further, the Employer will pay for all necessary inoculations to prevent disease if requested by the

employee and as recommended by the Department of Labor and Industries (Industrial Safety & Health Division).

SECTION 9. Fringe Option: Union option to take up to twenty cents (\$0.20) from wages to apply to fringe benefits with sixty (60) days' notice prior to any anniversary date of this Agreement. If any additional sums are necessary to maintain the fringe benefit plans, by mutual agreement such sums may be deducted from wage at any anniversary date of the agreement.

APPENDIX 1
SCHEDULE "B"
FRINGE BENEFITS

SECTION 1. Health and Security: It is agreed that all Employers employing employees within the geographic area covered by this Agreement shall contribute a sum as listed in Schedule "A," for each hour worked by all employees performing work covered by this Agreement regardless of union membership. Said contributions shall be made to the Northwest Laborers-Employers Health and Security Trust Fund in the manner as set forth in the Trust Agreement of said Trust Fund. The details of the Health and Security Plan established by this Trust Fund shall continue to be controlled and administered by a Joint Board of Trustees composed of equal representation from the Unions and the Chapters of the Associated General Contractors of America, Inc., who are signatories to the Trust Agreement of the aforesaid Trust Fund. Each trustee appointed by the Union shall be a member of the Union, or a regular paid employee of the Union. Each trustee appointed for the Employer after June 1, 2003, shall be a member with assigned bargaining rights, of an affiliated firm of the Chapters, that is making regular contributions on compensable hours to the Trust or a regular paid employee of the Chapters of the Associated General Contractors of America, Inc. The Trust Agreement, as amended, shall become a part of this Agreement.

SECTION 2. Pension:

- a. It is agreed that all Employers employing employees within the geographic area covered by this Agreement shall contribute a sum, as listed in Schedule "A," for each hour worked by all employees performing work covered by this Agreement regardless of union membership. Said contributions shall be made to the Western Washington Laborers-Employers Pension Fund in the Manner as set forth in the Trust Agreement of the said Trust Fund. The details of the Pension Plan established by this Trust shall continue to be controlled and administered by a Joint Board of Trustees composed of equal representation from the Unions and the Chapters of the Associated General Contractors of America, Inc., who are signatories to the Trust Agreement of the aforesaid Trust Fund. Each trustee appointed by the Union shall be a member of the Union, or a regular paid employee of the Union. Each trustee appointed for the Employer after June 1, 2003, shall be a member with assigned bargaining rights of an affiliated firm of the Chapters, that is making regular contributions on compensable hours to the Trust or a regular paid employee of the Chapters of the

Associated General Contractors of America, Inc. The Trust Agreement, as amended, shall become a part of this Agreement. Contributions will be made on the same form as Health & Security payments.

- b. It is agreed that a portion of the negotiated contributions to the Pension Fund in 2a above, in an amount determined by the Board of Trustees of the Pension Fund in consultation with the Pension Fund actuary, may be remitted to a Non-Qualified Excess Benefit Trust to be utilized as necessary to establish, fund and administer the Non-Qualified Excess Benefit Trust and a Non-Qualified Excess Benefit Plan under guidelines established in Internal Revenue Service Letter Rulings. The Excess Benefit Plan will be used solely to provide pension benefits to Pension Fund participants whose benefits are otherwise limited by Internal Revenue Code Section 415. The Excess Benefit Plan and Trust will be administered by a Board of Trustees, consisting of the same Trustees who administer the Pension Fund. The Pension Fund Trustees are granted the authority to establish and maintain the Excess Benefit Plan and Trust, provided that the language of the Excess Benefit Plan will allow for its termination if continuing benefits under the Excess Benefit Plan will impair the funding status of the Pension Plan, or if legislation is adopted modifying Internal Revenue Code Section 415 to such an extent that the Excess Benefit Plan is no longer required. In such event, the remaining articles and sections of this collective bargaining agreement shall be unaffected and shall otherwise remain in full force and effect.

SECTION 3. Credit Union: It is agreed that all Employers employing employees within the geographic area covered by this Agreement shall subtract a sum, as listed in Schedule "A" from each employee's net pay check (after taxes), for each hour worked by its employees performing work covered by this Agreement regardless of union membership. Said contributions shall be made to the Qualstar Credit Union. Contributions will be made on the same form as Health & Security payments and that the pro-rata costs of such forms and the collection and accounting thereof will be paid by the Union to the fringe benefit administrator.

SECTION 4. Training: It is agreed that all Employers employing employees within the geographic area covered by this Agreement shall contribute a sum, as listed in Schedule "A," for each hour worked by all employees performing work covered by this Agreement regardless of union membership. Said contributions shall be made to the Northwest Laborers-Employers Training Fund in the manner as set forth in the Trust Agreement of said Trust Fund. The details of the Training Program established by this Trust Fund shall continue to be controlled and administered by a Joint Board of Trustees composed of equal representation from the Union and the Chapters of the Associated General Contractors of America, Inc., who are signatories to the Trust Agreement of the aforesaid Trust Fund. Each trustee appointed by the Union shall be a member of the Union or a regular paid employee of the Union. Each trustee appointed by the Employers after June 1, 2003, shall be a member with assigned bargaining rights of an affiliated firm of the Chapters that is making regular contributions on compensable hours to the Trust or a regular paid employee of the Associated General Contractors of America, Inc. The Trust

Agreement, as amended shall become a part of this Agreement. Contributions will be made on the same form as Health & Security payments.

SECTION 5. Economic Action: In the event an Employer fails to make the monetary contributions in conformity with this section of the Agreement, the Union is free to take any economic action against such Employer it deems necessary, including, but not limited to, the removal of all employees covered by this Agreement and such action shall not be considered a violation of this Agreement.

SECTION 6. Rights of Parties: It is understood that the Union and Employer Associations are principal parties to all Trust Agreements and are, therefore, entitled to full information on the action of the trustees and the operation of the Trust.

SECTION 7. Trust Agreements: The individual Trust documents are part of this Agreement as if included herein, but may be amended during the term of this Agreement and such amendments when adopted by the parties shall also become part of this Agreement.

SECTION 8. Consolidation Study: The trustees may have a study made to see if it would be beneficial to the funds and their recipients if any or all of the trusts were consolidated or merged with the Trust Funds of any other Trusts. If the study shows that a consolidation or merger would be beneficial, then the Bargaining Committee will consider such merger. The trustees have the authority to investigate, evaluate and present their recommendations to the negotiating committee regarding merger, consolidation, amalgamation, joinder or other similar situations. The trustees' authority, in this respect, shall be limited to the power to prepare and recommend agreements to consummate the same and to recommend the transfer of the monies and properties of the said Trust Fund or Funds to any successor trust.

SECTION 9. It is agreed by the Employers within the area covered by this Agreement that this section covering the Employers' Trust Fund contributions shall continue as a separate written agreement including the legal remedies for collection of contributions during the period of negotiations for a new agreement, and may be enforced by the Trust Funds in either State or Federal Court, at the election of the Trust Funds.

APPENDIX 1
SCHEDULE "C"
ZONE PAY DIFFERENTIAL

SECTION 1. The payment for transportation reimbursement shall be governed by the following provisions:

The parties recognize that it is sometimes inconvenient to get to the job location because of varying distances. It is agreed and understood that while traveling to and from work, the employees are

not within the course and scope of their employment and the relationship of Employer-employee does not commence until the hourly wage commences.

SECTION 2. The parties therefore adopt the following provisions for wage scales:

| | | |
|------------|--------------|-----------|
| Aberdeen | Kent | Shelton |
| Bellingham | Mt. Vernon | Sunnyside |
| Bremerton | Olympia | Tacoma |
| Centralia | Pt. Angeles | Wenatchee |
| Chelan | Pt. Townsend | Yakima |
| Everett | Seattle | |

Zone Pay Remuneration:

1. All jobs or projects located within twenty-five (25) radius miles of the respective city halls of the above mentioned cities shall receive the basic rate of pay for all classifications (Zone A) as listed in Schedule "A".

2. All jobs or projects located more than twenty-five (25) radius miles and less than forty-five (45) radius miles from the respective city halls of the above mentioned cities shall receive Zone "B" allowance. The basic rate of pay shall be increased by seventy cents (\$0.70) per hour.

3. All jobs or projects located more than forty-five (45) radius miles from the respective city halls of the above mentioned cities shall receive Zone "C" allowance. The basic rate of pay shall be increased by one dollar (\$1.00) per hour.

SECTION 3. Toll & Ferry Fares: All necessary ferry or other forms of water transportation are to be reimbursed by the Employer in the following instances and manner:

A. Employees will be reimbursed at the passenger's fare or passenger's carfare when substantiated by receipts.

B. When employees elect to live at or near the project and forego daily ferry travel, it is recognized that they are entitled to the prerogative of visiting their homes for the weekend, and in that event charges shall be paid for such weekend travel as substantiated by receipts.

C. When circumstances make it necessary that a toll bridge be utilized, the employees will be reimbursed accordingly.

SECTION 4. Board & Lodging: When an Employer provides camp or board and lodging, the basic wage scale will be observed and the rate for camp or board and lodging will not exceed fifteen dollars (\$15.00) per day to be paid by the employee. Any costs over fifteen dollars (\$15.00) per day will be absorbed by the Employer. On jobs in remote areas where camp or board and lodging is not provided and housing is inadequate or the cost of housing is prohibitive the Employer will make every effort to arrange for housing at reasonable rates to his employees.

On jobs where an Employer establishes a camp with board and lodging, or where the Employer prohibits private vehicles beyond a designated area, which in either case is more than reasonable walking distance from the job site, the Employer, the District Council representative and the Chapter representative concerned shall be required to enter into immediate negotiations to establish all conditions of travel and/or transportation from the camp or parking area to the place of work on the job site.

APPENDIX 2

CRAFT WORKING RULES

SECTION 1. Shop Steward: There will be no discrimination against any workmen because of past or present union activities or because of race, creed, sex, age or color. However, no workman, unless he has been designated as the working steward on the job, is to use the Employer's time for union activities. The Employer shall be informed of the names of the appointed stewards.

The authority of the job steward shall be limited to the investigation of complaints which may be in violation of this collective bargaining agreement. He/she shall present such findings to the Union Agent for processing.

No steward shall be allowed to solicit membership in this organization or to collect any monies from any employees, nor shall he have any authority to take strike action or any action interrupting the Employer's business, and shall perform work of the Employer to the same extent as other employees.

When an Employer or superintendent deems it necessary to discharge an appointed working steward during the course of a job, he will, to maintain harmony, inform the Union beforehand of the necessity of such action.

SECTION 2. Union Notification: When an Employer moves into a territory away from his home area to begin a new project, he/she will notify the Local Union in whose territory he/she is to perform the work prior to starting said project.

SECTION 3. Protective Clothing: On sewer, water mains, tunnels, concrete and other work which actually warrants, such protective clothing as rubber boots, pants, coats and leather or rubber gloves of proper size will be supplied by the Employer, such clothing to be charged and signed out to the employee who are to guarantee their return in like condition, normal wear and tear excepted or pay for the same. Rubber gear will not be furnished to turn foul weather.

SECTION 4. Flaggers: It is agreed by placing the classification of flaggers under Group II that when in the opinion of the Employer the "uniform" has the effect of better control of traffic and thereby protects the public and the workmen on major arterials or severely congested city streets or highways, the Employer may use off duty uniformed policemen without violation of this labor Agreement. However, the Employer may not use retired policemen or security guards. Further, it is the intent to use Laborers who are certified as flaggers where possible.

Where conditions are normal, it is the intent to use Laborers to do on-the-job flagging, on new roads or street construction and on sewer and other work in residential or rural areas.

SECTION 5. Termination Notices: Upon termination, each employee will be given a termination notice if they are not eligible for rehire for reasons stated.

SECTION 6. A pre-job conference may be held if requested by either party.

APPENDIX 3 **COMPRESSED AIR WORK**

It is agreed that the following provisions shall apply on work under compressed air:

SECTION 1. Except as stated or modified hereafter, the condition provisions of the Master Agreement apply.

SECTION 2. All on-the-job travel, compression time and decompression time shall be exclusive of time worked as set forth in the wage schedule below, but compensation for this time is included in the pay set forth for the work shift.

SECTION 3. There shall be one rate of pay for all classifications and types of work and workmen working under compressed air.

SECTION 4. Foreman shall receive twelve dollars and eighty cents (\$12.80) per shift over workmen.

SECTION 5. Health and Security shall be paid at eight (8) times the hourly rate in effect for each day worked.

SECTION 6. Retirement pay shall be paid at eight (8) times the hourly rate in effect for each day worked.

SECTION 7. On a six (6) hour shift the employees will be allowed time off between the end of the 3rd and 1/2 hour and the 5th hour to eat a sandwich and coffee, but this time shall not exceed fifteen (15) minutes and the employees may be rotated so as to keep continuous work at the heading.

SECTION 8. The highest pressure registered on the gauge for an accumulated time of more than fifteen (15) minutes during the shift shall be used in determining the scale paid.

SECTION 9. All necessary protective clothing shall be furnished by the Employer, but the employees shall guarantee its return, normal wear and tear excepted.

SECTION 10. Outside lock tenders and gauge tenders shall be paid at eight (8) times the miner's rate, but shall work the same shift time as worked by the gang under compressed air.

SECTION 11. All other outside classifications shall be at classifications and conditions for tunnel workers in free air except that cleaning and maintaining of change house will be done at general labor rate.

SECTION 12. Employees shall be relieved at the heading or working points as designated by the Employer.

SECTION 13. To compute overtime for each hour of overtime worked at the heading, the overtime pay shall be derived by dividing the applicable shift rate by the "overtime divisor" and this figure multiplied by the applicable overtime rate from the Master Agreement. On Saturdays, Sundays and holidays, all work shall be at the applicable overtime rate.

SECTION 14. There shall be only one (1) straight time shift in any twenty-four (24) hour period.

SECTION 15. When required to return for additional decompression in the medical decompression chamber, the time thus spent in medical decompression shall be paid at the General Laborers' straight time rate and such time shall not be considered as time worked.

SECTION 16. Medical examinations will be provided by the Employer at no cost to the employee. Such examination shall be conducted on the Employer's time.

COMPRESSED AIR WORK
WAGE SCHEDULE

| | "Overtime Divisor" | 6/1/03 | 6/1/04 | 6/1/05 | 6/1/06 |
|---|-----------------------|--------|------------|------------|------------|
| 1 lb. Thru 14 lb. 6 hours work | 7 | 208.32 | TBA | TBA | TBA |
| Over 14 lb. thru 18 lb. 6 hours work | 7 | 210.32 | TBA TBA | TBA TBA | TBA TBA |
| Over 18 lb. thru 22 lb. 4 hours work | 7 | 210.32 | TBA TBA | TBA TBA | TBA TBA |
| 6 hours work | 9.33 | 231.28 | | | |
| Over 22 lb. thru 26 lb. | | | TBA | TBA | TBA |

| | | | | | |
|--|---|--------|------------|------------|------------|
| 4 hours work | 7 | 214.62 | TBA | TBA | TBA |
| Over 26 lb. thru 32 lb. 3 hours work | 7 | 217.62 | TBA TBA | TBA TBA | TBA TBA |
| Over 32 lb. thru 38 lb. 3 hours work | 7 | 220.32 | TBA TBA | TBA TBA | TBA TBA |
| Over 38 lb. thru 44 lb. 2 hours work | 7 | 217.60 | TBA TBA | TBA TBA | TBA TBA |
| Outside lock and gauge Tender (per shift) | | 202.40 | TBA TBA | TBA TBA | TBA TBA |

The pressure controls for all air locks at the job site shall be operated by a lock and gauge tender.

APPENDIX 4 CENTRAL WASHINGTON AREA

SECTION 1. Territory: This Addendum shall cover all construction work in Chelan, Kittitas, and Yakima Counties and that portion of Douglas County lying west of the 120° Meridian.

SECTION 2. Adoption of Master Agreement: The parties agree to be bound by, to adopt and incorporate by reference, as a part of this Addendum, all of the terms and conditions of the Master Labor Agreement, except as provided in this Addendum.

SECTION 3. Wage Rates:

**ZONE A WAGE RATES ONLY (REFER TO SCHEDULE C FOR ZONE
B & C WAGE RATE INFORMATION)**

| Wage Rates: | 6/1/03 | 6/1/04 | 6/1/05 | 6/1/06 |
|-------------|--------|--------|--------|--------|
| Group I | 14.59 | 14.70 | 0.69 | 0.73 |
| Group IIA | 16.91 | 17.02 | TBA | TBA |
| Group IIB | 18.51 | 18.62 | TBA | TBA |
| Group III | 18.63 | 18.74 | TBA | TBA |
| Group IV | 19.11 | 19.22 | TBA | TBA |
| Group V | 19.47 | 19.58 | TBA | TBA |

Apprenticeship Rates: Percentage Computed on Group III Rate:

| | | 6/1/03 | 6/1/04 | 6/1/05 | 6/1/06 |
|-------------------|-----|--------|--------|--------|--------|
| 0 – 1000 hours | 60% | 11.18 | 11.24 | TBA | TBA |
| 1001 – 2000 hours | 70% | 13.04 | 13.12 | TBA | TBA |
| 2001 – 3000 hours | 80% | 14.90 | 14.99 | TBA | TBA |
| 3001 – 4000 hours | 90% | 16.77 | 16.87 | TBA | TBA |

****Total package increase. The 2005 and 2006 allocation of the wage/fringe package will be determined sixty (60) days prior to the anniversary date.**

However, at no time will apprentices' wage rates, exceed those of journeymen for the same classification of work.

The Fringe Benefit contribution rates for Apprentices shall be the same as for the journeymen.

APPENDIX 5
OPERATION OF LOCAL UNION HIRING HALLS

SECTION 1. In order to maintain employment and preserve workable labor relations, as well as to insure accomplishment of private and public work, the following shall prevail:

A. It is recognized within the construction industry that the Union and the Employer have jointly developed a pool of qualified and safety trained workers.

B. The Employer recognizes the Union as the sole and exclusive collective bargaining representative of employees over whom the Union has jurisdiction.

C. The recruitment of employees shall be the responsibility of the Union and its Local Unions will maintain offices or other designated facilities for the convenience of the Employer and for job applicants.

D. Selection and referral of applicants for jobs shall be on a non-discriminatory basis and shall in no way be affected by race, color, age, sex or creed, nor by Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies or requirements.

E. Realizing that employees working under this Agreement acquire certain rights through experience in the industry and acquire Health and Welfare benefits for themselves and their families, it is agreed that selection of applicants for referral will be on the following basis:

The Union shall maintain a list of applicants in the Union office or designated point, who are out of work and available for employment.

Registration and referral of applicants shall be on a non-discriminatory basis without regard to race, color, sex, age or creed or to membership or non-membership in the Union and shall be in accordance with the following plan. The Union shall register all applicants for employment on the basis of the Groups listed below. Each applicant shall be registered in the highest priority Groups for which he/she is qualified.

GROUP A

Effective January 1, 2003, Group A shall consist of:

All Laborers who have previously qualified for Group A list status under the terms of this Agreement.

Laborers who have successfully completed the Apprenticeship program, which consists of three hundred twenty (320) hours of training and four thousand (4000) hours of covered employment.

Laborers who have been rated by the New Entrant Assessment (NEA) process as Journey Level Construction Craft Laborers.

Laborers who have worked at least four thousand (4000) hours under the terms of an agreement with a District Council as herein defined and have achieved a passing score at a level established by the NEA on the "Knowledge Assessment" portion of the assessment.

All other Laborers who have worked at least four thousand (4000) hours under the terms of an agreement with a District Council will qualify for Group A list status only in the classification (s) for which they have demonstrated proficiency through a history of employment.

GROUP B

Effective January 1, 2003, Group B shall consist of:

Individuals who are registered with and have been qualified by the JETC subcommittee and are signatory to a training agreement with the Joint Apprenticeship Training Committee. Such individuals shall register at the Training Office with the subcommittee. The Area JATC shall determine the number of individuals accepted into the new entrant training program upon the recommendation of the subcommittee.

Individuals that do not successfully complete their apprenticeship will be denied use of all hiring halls within this District Council for a period of twelve (12) months from the date of their termination from the Program. Hours worked during their apprenticeship will not count towards any list status.

If at any time, the indenturing of Apprentices causes the Training Trust to be out of compliance with Affirmative Action requirements in any Local Union area, the Training Trust will indenture additional Apprentices from their pool of eligible individuals, at the earliest opportunity, to get the Local Union area back into compliance.

GROUP C

Effective January 1, 2003 Group C shall consist of:

All Laborers who have previously qualified for Group C list status under the terms of this Agreement

Laborers who have worked at least two hundred (200) hours under the terms of an agreement with this District Council.

GROUP D

All other individuals who are seeking employment and who are physically fit. Any individual who has previously failed to pass or complete the Pre-Construction Training (PCT) shall not be eligible to register on the "D" list

F. The Hiring Hall shall make up and prepare the roster for preference of rehire by grouping all applicants who come within the above classifications and shall utilize the Health and Welfare and Pension records and/or check stubs in establishing these accrued rights based on length of employment. The registrant shall have the burden of proving his past experience and skills to the hiring hall.

G. SEATTLE/EVERETT METROPOLITAN AREA: In order to have applicants available and ready for work in the densely populated Seattle/Everett Metropolitan area, the Locals in that area shall give preference to those applicants present at the hiring hall during the Local's established dispatch hours. Any dispatching done outside of the Local's established dispatching hours will be done by telephone.

H. Definition of Employer. "Employer" under this Article means, (1) any Employer party to the Agreement, or (2) any Employer who employs Laborers under the terms of this Agreement and is a contributing employer within the meaning of the Health and Welfare and Pension Plans.

I. Referral of Applicants: Subject to the limitations referenced in Section 2, applicants shall be referred from Group A, as qualified, in successive order as their names appear on the out-of-work list. When Group A has been exhausted:

Dispatching of Group B apprentices shall be in successive order as registered on the out-of-work list. When Group B has been exhausted:

Applicants shall be referred from Group C, as qualified, in successive order as their names appear on the out-of-work list. When Group C has been exhausted:

Dispatching of Group D registrants shall be by qualification in successive order as registered on the out-of-work list.

J. When an applicant is referred for employment and is actually employed on a specified short-term job, such applicant's position shall not be changed on the out-of-work list. If a registrant, upon being referred for employment in regular order, refused to accept employment for which he/she is qualified, or voluntarily quits such employment prior to completion of the job, or is fired for cause, such registrant's name shall be placed at the bottom of the Group out-of-work list on which he/she is registered.

K. It shall not be a violation of this Agreement for the Hiring Hall dispatching officer to refer applicants to a job which is located outside of a metropolitan area whose residence is in close proximity

to that job even though their priority on the out-of-work list may not be as great as some other applicant living at a greater distance.

L. There shall be no discrimination by the Employer or the Local Union, with respect to recruitment, referral, hiring, tenure or discharge of any applicant or worker and any requirement as to membership or non-membership in any Union shall be in accordance with the National Labor Relations Act of 1947 as amended.

M. There shall be no discrimination by the Employer or the Local Union, with respect to recruitment, referral, hiring, tenure or discharge of any applicant or worker because of race, color, sex, age or creed and both the Employer and the Local Union agree to abide by Presidential Orders, Federal Laws or State Laws providing for non-discrimination in employment.

N. It is the intent of the Employer and of the Union by these procedures to fully comply with the National Labor Relations Act of 1947 as amended and the regulations and criteria of the National Labor Relations Board.

O. The Union and each Local Union shall post in their main offices all provisions relating to the referral and hiring provisions of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Washington and Northern Idaho District Council of Laborers and its local unions party hereto. And the AGC of Washington, a Chapter of the Associated General Contractors of America, Inc., on behalf of certain individual members who have authorized the Chapter to execute the agreement on their behalf.

FOR THE EMPLOYERS:

FOR THE WASHINGTON AND NORTHERN
IDAHO DISTRICT COUNCIL OF LABORERS:

Doug Peterson
AGC of Washington

Larry Bindner, Business Manager &
Secretary-Treasurer
Negotiation Committee Chairman

Date

Date

WESTERN/CENTRAL WASHINGTON LOCALS

- | | | |
|----|---|--|
| 1. | Bellingham. #276 1700 N. State Street Bellingham., WA 98225 | (360) 733-0900 (360) 733-0089 FAX |
| 2. | Everett #292 2810 Lombard Ave., Suite #100 Everett, WA 98201 Wenatchee Sub-Office | (206) 259-5077 (206) 252-3062 FAX (509) 662-9762 (509) 663-8572 FAX |
| 3. | Mt. Vernon #901 1221 Riverside Dr. Suite C Mt. Vernon, WA 98273 | (360) 336-6159 (360) 336-6159 FAX |
| 4. | Seattle #242 2800 1 st Ave., Rm. #50 Seattle, WA 98121 | (206) 441-0481 (206) 728-8756 FAX |
| 5. | Seattle #440 565-13 th Avenue Seattle, WA 98122 | (206) 329-1540 (206) 329-0156 |
| 6. | Tacoma #252 1742 Market Street Tacoma, WA 98402 Aberdeen Sub-Office Bremerton Sub-Office Olympia Sub-Office Port Angeles Sub-Office | (206) 383-1493 (206) 597-4980 FAX (360) 533-5658 (360) 533-5663 FAX (360) 377-1313 (360) 479-7592 FAX (360) 357-6460 (360) 357-9900 |
| 7. | Yakima #614 507 So. 3 rd Street Yakima, WA 98901 | (509) 452-4332 (509) 452-4337 FAX |

WASHINGTON & NORTHERN IDAHO DISTRICT COUNCIL OF LABORERS

**MEMORANDUM OF UNDERSTANDING
FOR
PRIVATE SECTOR WORK**

THIS MEMORANDUM, effective the first day of June, 2003, by and between the WASHINGTON & NORTHERN IDAHO DISTRICT COUNCIL OF LABORERS, hereinafter referred to as the "Union" and the undersigned Employer, hereafter referred to as the "Employer."

1. Competitive Conditions: The parties listed below agree that this Memorandum of Understanding for Private Sector Work is provided for the purpose of giving the signatory contractor the opportunity to be competitive in negotiating and bidding in the private sector limited to the scope listed in paragraph 4 below.
2. Adoption of Master Labor Agreement: The parties agree to be bound by, to adopt and incorporate all of the terms and conditions of the Master Labor Agreement, except as provided in this Memorandum of Understanding.
3. Notification: The Employer shall notify the affected Local Union when work is to be performed under this Memorandum prior to starting work. Failure to notify the Union will result in the payment of 100% wage rates until the Union is properly notified in writing.
4. Coverage: This Memorandum shall cover all privately funded projects whose value is \$3.0 million or less (excluding electrical on civil work, i.e., signals and traffic lighting).
5. Fringe Benefits: Fringe Benefits shall be 100% of those listed in the Master Labor Agreement during the terms of this Agreement.
6. Wage Rates: The wage rates covered by this Understanding shall be equal to ninety percent (90%) of the wage rates established in the Western Washington area and eighty-five percent (85%) of those wage rates established in the Central Washington area.
7. The Employer and Union agree that when the Laborers are working on the same payroll as another craft that are receiving a higher percentage scale, then those Laborers will also receive the higher percentage scale. This Memorandum will in no way affect the provisions of Article 22 of the Master Labor Agreement.

It is expressly agreed by the parties hereto that this Memorandum is not intended to circumvent the wage rates set forth in the Master Labor Agreement through artificial staging or phasing of projects for the sole purpose of applying the limits stated herein.

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